

# **EXHIBIT 9**



**Courtney Moad**  
Staff Landman - Appalachia

August 15, 2018

VIA ELECTRONIC MAIL

Epsilon Energy USA Inc  
Mr. Henry Clanton  
16701 Greenspoint Drive, Suite 195  
Houston, TX 77060

Re: Chesapeake's Proposed Cannella 24HC well  
Cannella South Unit & Rylee North Unit  
Auburn and Rush Townships, Susquehanna County, Pennsylvania  
Bradford Prospect

Dear Mr. Clanton:

Chesapeake Appalachia, L.L.C. ("CHK") hereby proposes to drill the Cannella 24HC well (the "Well") with a surface hole location of Latitude 41.739004 and Longitude -76.054064 (NAD 27); and an approximate bottom hole location of Latitude 41.70528 and Longitude -76.036, in Auburn and Rush Townships, Susquehanna County, Pennsylvania. The Well will be drilled to an approximate measured depth of 21,544' feet, with an approximate vertical depth of 6,640' feet, to test the Marcellus Formation and all other formations that may be encountered in the wellbore. Estimated costs to drill the Well are \$3,004,829.00, with a completed well costing approximately \$14,337,679.00. The anticipated spud date for the Well is October 9, 2018.

The Well will be a subsequent well drilled in the Cannella South Unit, which covers 679.3055082 acres. The Well will also be a subsequent well drilled in the Rylee North Unit, which will cover approximately 576.378718 acres.

The Well will be drilled as an Allocation Well, pursuant to the enclosed Allocation Consent Agreement. The preliminary Allocation Factor is an estimate, based on approximately **51.007375%** of the productive drainhole of the Allocation Well being in the Cannella South Unit, and approximately **48.992625%** of the productive drainhole of the Allocation Well being in the Rylee North Unit. Please be advised that these percentages may be adjusted following completion of the Well to reflect the actual percentages of the productive drainhole length within each unit. The table below contains a summary of the estimated working and net revenue interest ownership in the Well based on the aforementioned preliminary Allocation Factor:

Working Interest Owner	Cannella South WI %	Rylee North WI %	Cannella 24HC Well	
			WI %	NRI %
Chesapeake Appalachia, L.L.C.	48.152813%	64.094730%	55.963177%	47.541016%
Equinor USA Onshore Properties Inc.	25.219225%	31.833245%	28.459607%	24.192838%
Epsilon Energy USA Inc.	4.073639%	1.572025%	2.848033%	2.486214%
Pelican Energy, L.L.C.	2.500000%	0.000000%	1.275184%	1.099173%
Jamestown Resources, L.L.C.	0.000000%	2.500000%	1.224816%	1.027903%

**Chesapeake Energy Corporation**

P.O. Box 18496 / Oklahoma City, OK 73154-0496 / 6100 N. Western Avenue / Oklahoma City, OK 73118  
405-935-9164 / fax: 405-849-0092 / courtney.moad@chk.com

Cannella 24HC SW Proposal  
August 15, 2018

Tug Hill Marcellus LLC	1.402076%	0.000000%	0.715162%	0.623814%
Chief Exploration & Development LLC	11.230421%	0.000000%	5.728343%	4.996274%
Enerplus Resources (USA) Corporation	6.016297%	0.000000%	3.068755%	2.676576%
Radler 2000 Limited Partnership	1.405529%	0.000000%	0.716923%	0.625255%
Unconventionals Natural Gas, LLC*	0.000000%	0.000000%	0.000000%	0.000000%
<b>Totals</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>85.268987%</b>
* APO Interest Only				

CHK and Epsilon Energy USA Inc. hereby acknowledge that the working and net revenue interest ownership set forth above is only an estimate, and that the actual working and net revenue interest ownership will be calculated following completion of the Well. Any necessary revisions will then be made to the working and net revenue interest ownership of the Well, and any necessary reversal and rebooking of funds shall be applied so as to accurately reflect such revisions.

Additionally, final unit configuration and working and net revenue interest is subject to adjustments after receipt of all elections and review of further review of the contributed oil and gas interest. If necessary, CHK will amend the DPU and JOA exhibits to conform to actual ownership. If a change is made, revised documents will be forwarded and billing adjustments processed in the ordinary course of business.

This well proposal is made pursuant to that certain Operating Agreement dated June 10, 2014, covering the Cannella South Unit; and that certain Operating Agreement dated July 12, 2010, covering the Rylee North Unit, (both of the Operating Agreements to be collectively referred to hereinafter as the "Subject JOAs"). Accordingly, please indicate your election in the space provided below, sign and return this letter to the undersigned within thirty (30) days from receipt. Should you elect to participate in the proposed operation, please also execute and return the enclosed AFE along with a check in the amount of \$85,578.52 (2.848033% WI X \$3,004,829.00), which represents your share of the AFE drilling costs. All well costs attributable to the Cannella 24HC will be billed as they are incurred through the JIB process. Failure to make a timely election shall be deemed an election not to participate and assume the non-consent penalties under the JOA.

Failure to make a timely election shall be deemed as a non-consent election as set forth under the Subject JOAs. CHK reserves the right to revoke and withdraw this proposal without prior notice.

Your prompt attention and response to this proposal will be greatly appreciated. Should you have any questions, please contact the undersigned at (405) 935-9164 or by email at courtney.moad@chk.com.

Best regards,

**Chesapeake Appalachia, L.L.C.**



Courtney Moad

Enclosures: Allocation Consent Agreement; Cannella 24HC AFE, Drilling Prognosis, Wellbore Schematic, Geological Prognosis, Survey Plat, and Unit Plat, Marketing Arrangements Letter.

Cannella 24HC SW Proposal  
August 15, 2018

\_\_\_\_\_ **Epsilon Energy USA Inc** hereby elects to participate with the full extent of its interest in the drilling of the Cannella 24HC well pursuant to the Subject JOAs.

\_\_\_\_\_ **Epsilon Energy USA Inc** hereby elects **not** to participate in the drilling of the Cannella 24HC well and elects to go non-consent under the Subject JOAs.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





# INVOICE

**DATE:** 8/15/2018  
**INVOICE #:** WR0818PRE4803  
**Well:** Cannella 24H  
**Well #:** 660370  
**AFE #:** 1005122  
**AFE Date:** 7/16/2018  
**FOR:** Estimated Drilling Costs  
  
**BILL TO:** Mr. Henry Clanton  
 Epsilon Energy USA Inc  
 16701 Greenspoint Drive, Suite 195  
 Houston, TX 77060

DESCRIPTION	AMOUNT
Drilling Costs	\$3,004,829.00
Epsilon's Working Interest 2.848033%	\$85,578.52
<b>TOTAL AMOUNT DUE</b>	<b>\$85,578.52</b>

If you have any questions concerning this invoice, contact Courtney Moad at (405) 935-9164 or courtney.moad@chk.com.

**Submit payment by wire transfer to:** Chesapeake Operating, Inc.  
 Account # 657606310  
 J P Morgan Chase Bank, N.A.  
 New York, NY  
 ABA Routing # 021000021 ires / 111000614 ACH  
 International Swift/BIC Code – CHASUS33



*If you elect to participate in the proposed well attached, please complete and return with your election.*

Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 24HC (PN 660370)

To Whom It May Concern:

Chesapeake Operating, L.L.C. ("Chesapeake"), as operator of the subject well, requires certain information to update its records to determine your oil and gas marketing arrangements. Please indicate in the designated space below your desire to either (i) secure your own marketing arrangements for oil and/or gas production, or (ii) request Chesapeake to market your share of oil and/or gas production.

If you elect to take in kind and market your share of oil and/or gas production, Chesapeake will not be responsible for paying royalties, severance taxes, production payments, or other encumbrances due on your share of such production taken in kind, except to the extent required by law. Furthermore, Chesapeake shall not be responsible for any costs associated with your election to take your production in kind.

Should you elect to have Chesapeake market your share of oil and/or gas production, Chesapeake will agree to act as your agent for marketing your oil and/or gas and will ensure that you receive the same wellhead price as Chesapeake for production from such well(s). Chesapeake may choose to sell to affiliated or unaffiliated marketing companies, pipeline companies, end users or any other purchasers deemed acceptable in Chesapeake's sole judgment. Sales made on your behalf shall bear a proportionate share of any post production expenses charged or deducted by these entities, including marketing fees. Currently, if the gas (including any natural gas liquids contained therein) is marketed by Chesapeake's marketing affiliate, a 3% fee is retained from the gas resale price. Chesapeake's marketing affiliate charges a 1% fee of the oil resale price per barrel on all oil/condensate sales. The working interest owners shall bear their royalty owners' share of any such affiliated marketing fees. These fees are subject to change. Furthermore, all sales by Chesapeake shall be solely on a reasonable efforts basis and Chesapeake shall have no fiduciary obligation to obtain the best terms available for the sale of your oil and/or gas or that of your royalty owners.

By electing to have Chesapeake act as your agent in the marketing of oil and/or gas, you agree to defend, indemnify and hold Chesapeake harmless from any claims, demands, actions, judgments, costs and expenses (including, but not limited to, any fees, costs or expenses incurred in the enforcement of any indemnity or provision hereof) that Chesapeake may incur arising from Chesapeake's conduct under this agreement. By executing this agreement, you warrant that you have the right to dispose of your share of production. The indemnity and warranty provisions of this paragraph will survive the termination of this agreement for a period of five (5) years.

If, at any time, Chesapeake is required by any court, governmental agency or other entity to refund any of the proceeds received by Chesapeake pursuant to the sale of oil and/or gas hereunder, you agree to reimburse Chesapeake for that portion of the refund, including any applicable interest or penalties attributable to the oil and/or gas sold by Chesapeake on your behalf, or your royalty owner's behalf, within thirty (30) days from a reimbursement request from Chesapeake. This reimbursement obligation shall survive the termination of this agreement.

Should you elect to market your oil and/or gas production with Chesapeake, your share of royalty proceeds will be distributed and severance taxes remitted to the proper owners or authorities. However, you are responsible for notifying Chesapeake in writing of any special payment obligations, tax exempt interests, title or royalty owner information necessary to facilitate the proper distribution of royalties and remittance of severance taxes. Chesapeake will act only in an administrative capacity when distributing your share of royalty proceeds and taxes and you shall retain sole liability for erroneous payments caused by inaccurate information provided to Chesapeake.

Chesapeake Operating, L.L.C.  
6100 N. Western Ave. • Oklahoma City, OK 73118 • P.O. Box 18496 • Oklahoma City, OK 73154-0496  
405.848.8000 • fax 405.849.0034

Election Letter 239\_0617

Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 24HC (PN 660370)

The term of this agreement shall commence the date of first sales and shall continue thereafter unless or until terminated by either party effective the first day of the month immediately following at least sixty (60) days written notice to the other party.

Regarding Oklahoma wells only, this agreement does not constitute, and shall be in lieu of, an election by either party to offer or to participate in market sharing arrangements for natural gas sales under the Natural Gas Market Sharing Act, 52 O.S. § 581.1 et seq. The terms of this letter shall not alter the obligations of the parties hereto under the Production Revenue Standards Act, 52 O.S. § 570.1 et seq.

**PLEASE NOTE:** If Chesapeake does not receive your response to this letter within thirty (30) days of your receipt of this letter, Chesapeake will understand that you desire Chesapeake to market your share of production and Chesapeake will market on your behalf pursuant to the provisions of this Agreement as if you had affirmatively elected to market with Chesapeake (until such time as Chesapeake receives written notification of your alternative marketing arrangements). If you elect not to have Chesapeake market your oil and/or gas, Chesapeake will not be responsible for distributing royalties or remitting severance taxes, except to the extent required by law.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. You agree to promptly notify Chesapeake of any assignment or other disposition of your interest.

Should you have any questions concerning this matter, please email [GBalancing@chk.com](mailto:GBalancing@chk.com).

Thank you,



Courtney Moad



Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 24HC (PN 660370)

### Marketing Election for CHK's Cannella 24 HC

#### Definition of Marketing Election:

- **Market with Chesapeake:** We request that Chesapeake Operating, L.L.C. ("Chesapeake") market our gas and/or oil under the terms and conditions set forth in Chesapeake's marketing election letter.
  - **Take-in-Kind:** We do not desire Chesapeake to market our gas and/or oil and we will separately market our own share of gas and/or oil. We agree to provide nomination volumes by the 20th of each month. Furthermore, we understand that failure to timely nominate will result in no allocation to our interest for the month in question, and that Chesapeake shall have the right to adjust our nomination to correspond with actual production.
- 

*Partner: Epsilon Energy USA Inc*

- Market with Chesapeake (Y/N): Oil: \_\_\_\_\_ Gas: \_\_\_\_\_
- Take in Kind (Y/N): Oil: \_\_\_\_\_ Gas: \_\_\_\_\_

*Provide Purchase information for Take-in-Kind Election:*

Oil Purchaser \_\_\_\_\_ Gas Purchaser \_\_\_\_\_

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Print or Type Owner Name: \_\_\_\_\_

Owner Contact for Volume Information: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact Fax: \_\_\_\_\_







**Courtney Moad**  
Staff Landman - Appalachia

**August 15, 2018**

**VIA ELECTRONIC MAIL**

Epsilon Energy USA Inc  
Mr. Henry Clanton  
16701 Greenspoint Drive, Suite 195  
Houston, TX 77060

Re: Chesapeake's Proposed Cannella 25HC well  
Cannella South Unit & Rylee North Unit  
Auburn and Rush Townships, Susquehanna County, Pennsylvania  
Bradford Prospect

Dear Mr. Bond:

Chesapeake Appalachia, L.L.C. ("CHK") hereby proposes to drill the Cannella 25HC well (the "Well") with a surface hole location of Latitude 41.73895 and Longitude -76.054007 (NAD 27); and an approximate bottom hole location of Latitude 41.706897 and Longitude -76.030906, in Auburn and Rush Townships, Susquehanna County, Pennsylvania. The Well will be drilled to an approximate measured depth of 20,721' feet, with an approximate vertical depth of 6,640' feet, to test the Marcellus Formation and all other formations that may be encountered in the wellbore. Estimated costs to drill the Well are \$3,059,882.00, with a completed well costing approximately \$13,979,297.00. The anticipated spud date for the Well is October 30, 2018.

The Well will be a subsequent well drilled in the Cannella South Unit, which covers 679.3055082 acres. The Well will also be a subsequent well drilled in the Rylee North Unit, which will cover approximately 576.378718 acres.

The Well will be drilled as an Allocation Well, pursuant to the enclosed Allocation Consent Agreement. The preliminary Allocation Factor is an estimate, based on approximately **50.873429%** of the productive drainhole of the Allocation Well being in the Cannella South Unit, and approximately **49.126571%** of the productive drainhole of the Allocation Well being in the Rylee North Unit. Please be advised that these percentages may be adjusted following completion of the Well to reflect the actual percentages of the productive drainhole length within each unit. The table below contains a summary of the estimated working and net revenue interest ownership in the Well based on the aforementioned preliminary Allocation Factor:

Working Interest Owner	Cannella South WI %	Rylee North WI %	Cannella 25HC Well	
			WI %	NRI %
Chesapeake Appalachia, L.L.C.	48.152813%	64.094730%	55.984530%	47.541016%
Equinor USA Onshore Properties Inc.	25.219225%	31.833245%	28.468467%	24.192838%
Epsilon Energy USA Inc.	4.073639%	1.572025%	2.844681%	2.486214%
Pelican Energy, L.L.C.	2.500000%	0.000000%	1.271836%	1.096287%
Jamestown Resources, L.L.C	0.000000%	2.500000%	1.228164%	1.030713%

**Chesapeake Energy Corporation**

P.O. Box 18496 / Oklahoma City, OK 73154-0496 / 6100 N. Western Avenue / Oklahoma City, OK 73118  
405-935-9164 / fax: 405-849-0092 / courtney.moad@chk.com

Cannella 25HC SW Proposal  
August 15, 2018

Tug Hill Marcellus LLC	1.402076%	0.000000%	0.713284%	0.623814%
Chief Exploration & Development LLC	11.230421%	0.000000%	5.713300%	4.996274%
Enerplus Resources (USA) Corporation	6.016297%	0.000000%	3.060697%	2.676576%
Radler 2000 Limited Partnership	1.405529%	0.000000%	0.715041%	0.625255%
Unconventionals Natural Gas, LLC*	0.000000%	0.000000%	0.000000%	0.000000%
<b>Totals</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>85.268987%</b>
* APO Interest Only				

CHK and Epsilon Energy USA Inc. hereby acknowledge that the working and net revenue interest ownership set forth above is only an estimate, and that the actual working and net revenue interest ownership will be calculated following completion of the Well. Any necessary revisions will then be made to the working and net revenue interest ownership of the Well, and any necessary reversal and rebooking of funds shall be applied so as to accurately reflect such revisions.

Additionally, final unit configuration and working and net revenue interest is subject to adjustments after receipt of all elections and review of further review of the contributed oil and gas interest. If necessary, CHK will amend the DPU and JOA exhibits to conform to actual ownership. If a change is made, revised documents will be forwarded and billing adjustments processed in the ordinary course of business.

This well proposal is made pursuant to that certain Operating Agreement dated June 10, 2014, covering the Cannella South Unit; and that certain Operating Agreement dated July 12, 2010, covering the Rylee North Unit, (both of the Operating Agreements to be collectively referred to hereinafter as the "Subject JOAs"). Accordingly, please indicate your election in the space provided below, sign and return this letter to the undersigned within thirty (30) days from receipt. Should you elect to participate in the proposed operation, please also execute and return the enclosed AFE, along with a check in the amount of \$87,043.88 (2.844681% WI X \$3,059,882.00), which represents your share of the AFE drilling costs. All well costs attributable to the Cannella 25HC will be billed as they are incurred through the JIB process. Failure to make a timely election shall be deemed an election not to participate and assume the non-consent penalties under the JOA.

Failure to make a timely election shall be deemed as a non-consent election as set forth under the Subject JOAs. CHK reserves the right to revoke and withdraw this proposal without prior notice.

Your prompt attention and response to this proposal will be greatly appreciated. Should you have any questions, please contact the undersigned at (405) 935-9164 or by email at courtney.moad@chk.com.

Best regards,

Chesapeake Appalachia, L.L.C.

  
Courtney Moad

Enclosures: Allocation Consent Agreement; Cannella 24HC AFE, Drilling Prognosis, Wellbore Schematic, Geological Prognosis, Survey Plat, and Unit Plat, Marketing Arrangements Letter.

Cannella 25HC SW Proposal  
August 15, 2018

\_\_\_\_\_ **Epsilon Energy USA Inc** hereby elects to participate with the full extent of its interest in the drilling of the Cannella 25HC well pursuant to the Subject JOAs.

\_\_\_\_\_ **Epsilon Energy USA Inc** hereby elects **not** to participate in the drilling of the Cannella 25HC well and elects to go non-consent under the Subject JOAs.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# INVOICE

DATE: 8/15/2018  
 INVOICE #: WR0818PRE4810  
 Well: Cannella 25H  
 Well #: 660371  
 AFE #: 1005123  
 AFE Date: 7/16/2018  
 FOR: Estimated Drilling Costs

BILL TO: Mr. Henry Clanton  
 Epsilon Energy USA Inc  
 16701 Greenspoint Drive, Suite 195  
 Houston, TX 77060

DESCRIPTION		AMOUNT
Drilling Costs		\$3,059,882.00
Epsilon's Working Interest	2.844681%	\$87,043.88
<b>TOTAL AMOUNT DUE</b>		<b>\$87,043.88</b>

If you have any questions concerning this invoice, contact Courtney Moad at (405) 935-9164 or courtney.moad@chk.com.

**Submit payment by wire transfer to:** Chesapeake Operating, Inc.  
 Account # 657606310  
 J P Morgan Chase Bank, N.A.  
 New York, NY  
 ABA Routing # 021000021 ires / 111000614 ACH  
 International Swift/BIC Code – CHASUS33





*If you elect to participate in the proposed well attached, please complete and return with your election.*

Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 25H (PN 660371)

To Whom It May Concern:

Chesapeake Operating, L.L.C. ("Chesapeake"), as operator of the subject well, requires certain information to update its records to determine your oil and gas marketing arrangements. Please indicate in the designated space below your desire to either (i) secure your own marketing arrangements for oil and/or gas production, or (ii) request Chesapeake to market your share of oil and/or gas production.

If you elect to take in kind and market your share of oil and/or gas production, Chesapeake will not be responsible for paying royalties, severance taxes, production payments, or other encumbrances due on your share of such production taken in kind, except to the extent required by law. Furthermore, Chesapeake shall not be responsible for any costs associated with your election to take your production in kind.

Should you elect to have Chesapeake market your share of oil and/or gas production, Chesapeake will agree to act as your agent for marketing your oil and/or gas and will ensure that you receive the same wellhead price as Chesapeake for production from such well(s). Chesapeake may choose to sell to affiliated or unaffiliated marketing companies, pipeline companies, end users or any other purchasers deemed acceptable in Chesapeake's sole judgment. Sales made on your behalf shall bear a proportionate share of any post production expenses charged or deducted by these entities, including marketing fees. Currently, if the gas (including any natural gas liquids contained therein) is marketed by Chesapeake's marketing affiliate, a 3% fee is retained from the gas resale price. Chesapeake's marketing affiliate charges a 1% fee of the oil resale price per barrel on all oil/condensate sales. The working interest owners shall bear their royalty owners' share of any such affiliated marketing fees. These fees are subject to change. Furthermore, all sales by Chesapeake shall be solely on a reasonable efforts basis and Chesapeake shall have no fiduciary obligation to obtain the best terms available for the sale of your oil and/or gas or that of your royalty owners.

By electing to have Chesapeake act as your agent in the marketing of oil and/or gas, you agree to defend, indemnify and hold Chesapeake harmless from any claims, demands, actions, judgments, costs and expenses (including, but not limited to, any fees, costs or expenses incurred in the enforcement of any indemnity or provision hereof) that Chesapeake may incur arising from Chesapeake's conduct under this agreement. By executing this agreement, you warrant that you have the right to dispose of your share of production. The indemnity and warranty provisions of this paragraph will survive the termination of this agreement for a period of five (5) years.

If, at any time, Chesapeake is required by any court, governmental agency or other entity to refund any of the proceeds received by Chesapeake pursuant to the sale of oil and/or gas hereunder, you agree to reimburse Chesapeake for that portion of the refund, including any applicable interest or penalties attributable to the oil and/or gas sold by Chesapeake on your behalf, or your royalty owner's behalf, within thirty (30) days from a reimbursement request from Chesapeake. This reimbursement obligation shall survive the termination of this agreement.

Should you elect to market your oil and/or gas production with Chesapeake, your share of royalty proceeds will be distributed and severance taxes remitted to the proper owners or authorities. However, you are responsible for notifying Chesapeake in writing of any special payment obligations, tax exempt interests, title or royalty owner information necessary to facilitate the proper distribution of royalties and remittance of severance taxes. Chesapeake will act only in an administrative capacity when distributing your share of royalty proceeds and taxes and you shall retain sole liability for erroneous payments caused by inaccurate information provided to Chesapeake.

Chesapeake Operating, L.L.C.  
6100 N. Western Ave. • Oklahoma City, OK 73118 • P.O. Box 18496 • Oklahoma City, OK 73154-0496  
405.848.8000 • fax 405.849.0034

Election Letter 239\_0617



Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 25H (PN 660371)

The term of this agreement shall commence the date of first sales and shall continue thereafter unless or until terminated by either party effective the first day of the month immediately following at least sixty (60) days written notice to the other party.

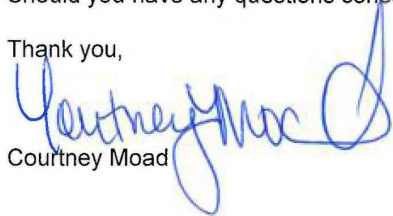
Regarding Oklahoma wells only, this agreement does not constitute, and shall be in lieu of, an election by either party to offer or to participate in market sharing arrangements for natural gas sales under the Natural Gas Market Sharing Act, 52 O.S. § 581.1 et seq. The terms of this letter shall not alter the obligations of the parties hereto under the Production Revenue Standards Act, 52 O.S. § 570.1 et seq.

**PLEASE NOTE:** If Chesapeake does not receive your response to this letter within thirty (30) days of your receipt of this letter, Chesapeake will understand that you desire Chesapeake to market your share of production and Chesapeake will market on your behalf pursuant to the provisions of this Agreement as if you had affirmatively elected to market with Chesapeake (until such time as Chesapeake receives written notification of your alternative marketing arrangements). If you elect not to have Chesapeake market your oil and/or gas, Chesapeake will not be responsible for distributing royalties or remitting severance taxes, except to the extent required by law.

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. You agree to promptly notify Chesapeake of any assignment or other disposition of your interest.

Should you have any questions concerning this matter, please email [GBalancing@chk.com](mailto:GBalancing@chk.com).

Thank you,

A handwritten signature in blue ink, appearing to read 'Courtney Moad', is written over the printed name.

Courtney Moad

Date: August 15, 2018  
Partner: Epsilon Energy USA Inc  
Re: Marketing Arrangements CHK's Cannella 25H (PN 660371)

### Marketing Election for CHK's Cannella 25H

#### Definition of Marketing Election:

- **Market with Chesapeake:** We request that Chesapeake Operating, L.L.C. ("Chesapeake") market our gas and/or oil under the terms and conditions set forth in Chesapeake's marketing election letter.
  - **Take-in-Kind:** We do not desire Chesapeake to market our gas and/or oil and we will separately market our own share of gas and/or oil. We agree to provide nomination volumes by the 20th of each month. Furthermore, we understand that failure to timely nominate will result in no allocation to our interest for the month in question, and that Chesapeake shall have the right to adjust our nomination to correspond with actual production.
- 

*Partner: Epsilon Energy USA Inc*

- Market with Chesapeake (Y/N): Oil: \_\_\_\_\_ Gas: \_\_\_\_\_
- Take in Kind (Y/N): Oil: \_\_\_\_\_ Gas: \_\_\_\_\_

*Provide Purchase information for Take-in-Kind Election:*

Oil Purchaser \_\_\_\_\_ Gas Purchaser \_\_\_\_\_

Accepted and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Print or Type Owner Name: \_\_\_\_\_

Owner Contact for Volume Information: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact Fax: \_\_\_\_\_

Field: MARCELLUS NORTH FIELD  
Well Name: CANNELLA 25HC  
Property #: 660371  
Operator: Chesapeake Operating, LLC  
AFE #: 0001005123  
Supplement: NO  
County, State: SUSQUEHANNA,PA



Date: 2018-07-16  
TD: 20,721'  
TVD: 6,640'  
Length: 13,052'  
Asset: APPALACHIA NORTH  
Well Type: DEVELOPMENT

		Pre Drill	Drill	Complete	Turn In Line (TIL)	Facility Allocations	TOTAL
Code	Work Description	DC-1066037100-PR	DC-1066037100-DR	DC-1066037100-CM	DC-1066037100-TL	DC-1066037100-ZZ	
Intangible							
8100400	INT - LSE ROADS, LOCATION, PITS	\$4,600	\$20,000	\$10,565	-	-	\$35,165
8100401	INT - DAMAGES/ROW	-	-	-	-	-	-
8100402	INT - GOVERNMENTAL FILINGS	\$5,250	-	-	-	-	\$5,250
8100403	INT - TITLE OPINIONS	\$50,000	-	-	-	-	\$50,000
8100405	INT - RECLAMATION	-	\$182,032	\$2,500	-	-	\$184,532
8100409	INT - FUEL/RIG POWER	-	\$82,500	-	-	-	\$82,500
8100410	INT - DRILLING CONTRACTOR	-	\$547,400	-	-	-	\$547,400
8100411	INT - DIRECTIONAL SERVICES	-	\$164,169	-	-	-	\$164,169
8100413	INT - RIG MOBILIZATION/DEMOBILIZATIO	-	\$10,000	-	-	-	\$10,000
8100415	INT - BITS	-	\$52,550	-	-	-	\$52,550
8100416	INT - SUPPLIES & UTILITIES	-	\$21,000	-	-	-	\$21,000
8100418	INT - MUD LOGGING	-	\$16,660	-	-	-	\$16,660
8100419	INT - DRILLING/COMPLETION FLUIDS, MU	-	\$242,064	\$12,300	-	-	\$254,364
8100421	INT - DRILL STRING INSPECTION	-	-	-	-	-	-
8100423	INT - OPEN HOLE LOGGING	-	-	-	-	-	-
8100428	INT - DOWNHOLE RENTAL EQUIP	-	\$59,500	\$13,060	-	-	\$72,560
8100430	INT - WORKOVER/COMPLETION UNIT	-	-	\$75,750	-	-	\$75,750
8100431	INT - CASED HOLE SVC/PERF	-	-	\$471,615	-	-	\$471,615
8100432	INT - WATER FACILITY WATER PURCH	-	-	-	-	-	-
8100434	INT - FORMATION TREATMENT	-	-	\$7,493,595	-	-	\$7,493,595
8100435	INT - DIRECT LABOR	-	\$350	-	-	-	\$350
8100436	INT - COIL TUBING UNIT	-	-	-	-	-	-
8100438	INT - TUBULAR HAULING/INSPECTION	-	\$10,500	-	-	-	\$10,500
8100439	INT - TECHNICAL LABOR	-	\$2,975	-	-	-	\$2,975
8100440	INT - FLOWBACK HAULOFF	-	-	-	\$10,000	-	\$10,000
8100441	INT - FLOW CREW & EQUIPMENT	-	-	\$63,885	\$55,000	-	\$118,885
8100443	INT - SUPERVISION	-	\$41,650	\$27,055	-	-	\$68,705
8100444	INT - CONSULTANTS	-	\$76,160	\$165,165	-	-	\$241,325
8100445	INT - SIM-OPS	-	-	-	\$1,000	-	\$1,000
8100446	INT - OVERHEAD	-	\$16,065	\$114,765	-	-	\$130,830
8100447	INT - INSURANCE	-	\$20,248	-	-	-	\$20,248
8100448	INT - CONTINGENCIES	-	-	-	-	-	-
8100449	INT - MAJOR CONST OVERHEAD	-	-	-	\$10,000	-	\$10,000
8100454	INT - OPERATIONS SUPPORT CENTER	-	\$5,950	-	-	-	\$5,950
8100461	INT - CNTRCT LABOR - EHS	-	\$14,000	\$83,200	\$12,000	-	\$109,200
8100462	INT - CNTRCT LABOR - CAMP SERVICES	-	\$7,000	-	-	-	\$7,000
8100464	INT - CNTRCT LABOR - BOP/WLLHD SVC	-	\$5,000	\$121,965	-	-	\$126,965
8100465	INT - CNTRCT LABOR - OPER SERVICES	-	\$47,500	\$39,600	\$15,000	-	\$102,100
8100467	INT - CNTRCT LABOR - PIPE HAND SVC	-	\$16,000	-	-	-	\$16,000
8100468	INT - CNTRCT LABOR - TRANSPORT	-	\$10,000	\$7,425	\$10,000	-	\$27,425
8100470	INT - INSTALL COND/MS/RAT	\$41,450	-	-	-	-	\$41,450
8100471	INT - CEMENT	-	\$324,231	-	-	-	\$324,231
8100481	INT - SURF RENTAL - EHS	-	\$10,710	\$166,530	-	-	\$177,240
8100482	INT - SURF RENTAL - CAMP EQUIPMENT	-	\$21,420	\$59,625	-	-	\$81,045
8100484	INT - SURF RENTAL - BOP/WLLHD EQ	-	\$22,610	\$162,335	-	-	\$184,945
8100485	INT - SURF RENTAL - OPER EQUIPMENT	-	\$168,600	\$450,760	\$8,000	-	\$625,360
8100486	INT - SURF RENTAL - ELECT & COMM	-	\$20,230	-	-	-	\$20,230
8100487	INT - SURF RENTAL - FLUID MGMT EQ	-	\$95,200	\$607,720	-	-	\$702,920
8100488	INT - SURF RENTAL - RIG POWR SUPP E	-	\$19,040	-	-	-	\$19,040
Total Intangible		\$101,300	\$2,351,314	\$10,149,415	\$121,000	-	\$12,723,029
Tangible							
8400104	TAN - FLOAT EQUIPMENT	-	\$8,000	-	-	-	\$8,000
8400105	TAN - TUBING	-	-	-	-	-	-
8400106	TAN - WELLHEAD EQUIPMENT	-	\$30,000	\$81,000	-	-	\$111,000
8400107	TAN - DOWNHOLE EQUIPMENT	-	\$46,500	-	-	-	\$46,500
8400112	TAN - PUMPING UNIT-DOWNHOLE	-	-	-	-	-	-
8400117	TAN - ESP	-	-	-	-	-	-
8400142	TAN - GAS LIFT/PLUNGER LIFT	-	-	-	-	-	-
8400171	TAN - CASING	-	\$522,768	-	-	-	\$522,768
8410111	TAN - PUMPING UNIT-SURFACE	-	-	-	-	-	-
8410113	TAN - PRODUCTION EQUIPMENT	-	-	-	\$262,000	-	\$262,000
8410115	TAN - COMPRESSOR/COMPRESSION	-	-	-	-	-	-
8410118	TAN - PROD EQUIP-METER & EQUIP	-	-	-	\$18,000	-	\$18,000
8410120	TAN - NON-CONTROLLABLE EQUIP	-	-	-	\$1,667	-	\$1,667
8410140	TAN - PROD EQUIP-TANKS	-	-	-	\$5,333	-	\$5,333
8410141	TAN - PROD EQUIP - VESSELS	-	-	-	\$210,000	-	\$210,000
8410143	TAN - PROD EQUIP - ELECTRICAL	-	-	-	-	-	-
8410401	TAN - OTHER TELEMETRY EQUIP	-	-	-	\$71,000	-	\$71,000
Total Tangible		-	\$607,268	\$81,000	\$568,000	-	\$1,256,268
Total Costs		\$101,300	\$2,958,582	\$10,230,415	\$689,000	-	\$13,979,297

Approver Name  
JV Partner Name

Approver Signature      Frank Patterson  
JV Partner Signature

Date    07/16/2018  
Date



**Courtney Moad**  
Staff Landman - Appalachia

**August 15, 2018**

**Ms. Karen Keller**

Equinor USA Onshore Properties Inc.  
6300 Bridge Point Pkwy, Bldg 2, Ste 100  
Austin, TX 78730

**Mr. Travis Jenkins**

Jamestown Resources, L.L.C.  
717 Texas Avenue, Suite 3100  
Houston, TX 77002

**Mr. Travis Jenkins**

Pelican Energy, L.L.C.  
717 Texas Avenue, Suite 3100  
Houston, TX 77002

**Mr. Sean Gallagher**

Enerplus Resources (USA) Corporation  
950 17<sup>th</sup> Street, Suite 2200  
Denver, CO 80202

**Mr. Paul Lettieri**

Chief Exploration & Development LLC  
8111 Westchester Drive, Suite 900  
Dallas, TX 75225

**Mr. David D. Kalish**

Tug Hill Marcellus, LLC  
1320 S. University Dr., Suite 500  
Ft. Worth, TX 76107

**Mr. David D. Kalish**

Radler 2000 Limited Partnership  
1320 S. University Dr., Suite 500  
Ft. Worth, TX 76107

**Mr. Henry Clanton**

Epsilon Energy USA Inc.  
16701 Greenspoint Dr., Ste 195  
Houston, TX 77060

**Mr. Mark Haney**

Unconventionals Natural Gas, LLC  
17800 Davenport Rd., Suite 101  
Dallas, TX 75252

Re: Allocation Consent Agreement  
Cannella South Unit & Rylee North Unit  
Auburn and Rush Townships, Susquehanna County, Pennsylvania

Ladies and gentlemen:

Chesapeake Appalachia, L.L.C. ("Chesapeake") intends to drill a well or wells which will extend into two units, the existing Cannella South Unit and the Rylee North Unit (any well drilled which extends into both of the aforementioned units to be referred to as an "Allocation Well"). In accordance therewith, Chesapeake desires to establish the method by which production and costs will be allocated via this Allocation Consent Agreement ("ACA"), by and between the following parties (all of which to be collectively referred to herein as the "ACA Parties", and/or individually as "ACA Party"), each of which own a working interest in one or both of the aforementioned Units under and subject to the following Operating Agreements:

1. that certain Operating Agreement for the Cannella South Unit, dated June 10, 2014, by and between Chesapeake, as Operator; and Equinor USA Onshore Properties, Inc. ("Equinor"), Epsilon Energy USA, Inc., ("Epsilon"), Pelican Energy, L.L.C. ("Pelican"), Chief Exploration & Development LLC ("Chief"), Enerplus Resources (USA) Corporation ("Enerplus"), Radler 2000 Limited Partnership ("Radler"), Tug Hill Marcellus LLC ("Tug Hill"), and Unconventionals Natural Gas, LLC ("Unconventionals"), as Non-Operators, and;
2. that certain Operating Agreement for the Rylee North Unit, dated July 12, 2010, by and between Chesapeake, as Operator; and Equinor, Epsilon and Jamestown Resources, L.L.C. ("Jamestown"). The method by which all costs and production shall be allocated for each Allocation Well shall be calculated as follows for each of the ACA Parties: the Allocation Factor for each unit shall be a

**Chesapeake Energy Corporation**

P.O. Box 18496 / Oklahoma City, OK 73154-0496 / 6100 N. Western Avenue / Oklahoma City, OK 73118  
405-935-9164 / fax: 405-849-0092 / courtney.moad@chk.com



Allocation Consent Agreement  
Dated August 15, 2018

fraction, the numerator of which is equal to the length of that portion of the productive drainhole length of an Allocation Well that lies within each respective unit, and the denominator of which is equal to the entire productive drainhole length of the Allocation Well. The Allocation Factor shall be multiplied by each respective ACA Party's working and net revenue interest in each unit, and the equation for each unit will be summed together to determine each respective ACA Party's working and net revenue interest for the Allocation Well. The productive drainhole length shall be measured from the first take point to the last take point along the lateral of the Allocation Well. A preliminary estimate of these measurements shall be based on GIS measurements and shall be provided by Chesapeake with the drilling proposals for the Allocation Wells, together with the resulting estimated Allocation Factors and working and net revenue interests of the ACA Parties. Upon completion of the Allocation Well, a final Allocation Factor for each unit will be determined.

Except as expressly set forth herein, the above referenced Operating Agreements for the Cannella South Unit and Rylee North Unit will govern the rights and obligations of the parties as to that portion of the productive drainhole length of each Allocation Well's lateral lying within each respective unit.

Please indicate your agreement to the above method for calculating working interests in the Allocation Well by executing this ACA in the appropriate space provided below and return a signed copy to the attention of the undersigned. Your early attention and response will be greatly appreciated. Should you have any questions, please do not hesitate to contact the undersigned.

Best regards,

Chesapeake Appalachia, L.L.C.

  
Courtney Moad

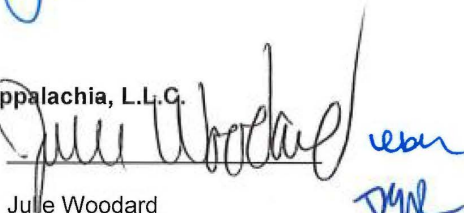
Chesapeake Appalachia, L.L.C.

By:

Name: Julie Woodard

Title: Land Manager, Appalachia

Date:

  
8/15/18



Allocation Consent Agreement  
Dated August 15, 2018

**Equinor USA Onshore Properties, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Epsilon Energy USA Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Pelican Energy, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Jamestown Resources, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Chief Exploration & Development LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Enerplus Resources (USA) Corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Radler 2000 Limited Partnership**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Tug Hill Marcellus LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Unconventionals Natural Gas, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_